

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application:

**Listing of Claims:**

Claims 1- 46 (canceled).

Claim 47 (new):       A handheld toy comprising:

        a scanner operable to detect any of a plurality of encoded data items associated with a plurality of game characters, the plurality of game characters being divided into a plurality of groups;

        a display device;

        a memory device; and

        an electronic circuit operable with the scanner and the display device to:

                (A)     associate one of the plurality of groups with the handheld toy, the associated group having a plurality of members,

                (B)     detect one of the plurality of encoded data items,

                (C)     if the game character associated with the first one of the plurality of encoded data items is a member of the group associated with the handheld toy, store the game character, and

                (D)     if the game character associated with the first one of the plurality of encoded data items is not a member of the group associated with the handheld toy and the first one of the plurality of encoded data items was previously detected within a time period, initiate a competition between the game character associated with the first one of the plurality of encoded data items and at least one stored game character, the stored game character being a member of the group associated with the handheld device.

Claim 48 (new): The handheld toy of Claim 47, wherein the electronic circuit is operable to dismiss the game character associated with the first one of the plurality of encoded data items if the game character associated with the first one of the plurality of encoded data items is not a member of the group associated with the handheld toy and the first one of the plurality of encoded data items was not previously detected within the time period.

Claim 49 (new): The handheld toy of Claim 48, wherein dismissing the game character associated with the first one of the plurality of encoded data items includes displaying an animation of the game character associated with the first one of the plurality of encoded data items exploding.

Claim 50 (new): The handheld toy of Claim 47, wherein the electronic circuit is operable to enable a user to determine whether the competition between the game character associated with the first one of the plurality of encoded data items and at least one stored game character, the stored game character being a member of the group associated with the handheld device, is initiated if the game character associated with the first one of the plurality of encoded data items is not a member of the group associated with the handheld toy and the first one of the plurality of encoded data items was not previously detected within the time period.

Claim 51 (new): The handheld toy of Claim 47, wherein for each of the plurality of groups of game characters, game characters will not engage in competition with members of their own group of game characters.

Claim 52(new): The handheld toy of Claim 47, wherein the scanner is a bar code scanner.

Claim 53 (new): The handheld toy of Claim 47, further comprising a communications port operable to communicate with a second handheld toy.

Claim 54 (new): The handheld toy of Claim 53, wherein the processor is operable to conduct a second contest between at least one game character stored in the memory device and at least one game character stored in the second handheld toy.

Claim 55 (new): The handheld toy of Claim 54, wherein the at least one game character stored in the memory device and the at least one game character stored in the second handheld toy are members of the same group of game characters.

Claim 56 (new): The handheld toy of Claim 47, further comprising an input device, wherein the player is able to select which of the stored game characters competes with the game character associated with the first one of the plurality of encoded data items.

Claim 57 (new): A handheld toy comprising:

a scanner;

a display device;

a memory device; and

a processor operable with the scanner and the display device to:

(A) scan encoded data,

(B) determine a first character from the encoded data,

(C) if the first character is a member of a first group, store the first character,

wherein members of the first group are controllable by a player, and

(D) if the first character is not a member of the first group of characters,

(i) if the encoded is scanned a second time, initiate a game involving the first character and at least one other character, the at least one other character being a member of the first group, and

(ii) if the bar code is not scanned the second time, dismiss the first character.

Claim 58 (new): The handheld toy of Claim 57, further comprising a housing, wherein the appearance of at least a portion of the housing identifies the first group.

Claim 59 (new): The handheld toy of Claim 57, wherein the game is a turned game.

Claim 60 (new): The handheld toy of Claim 57, further comprising displaying an indication of the amount of encoded data scanned by the scanner.

Claim 61 (new): The handheld toy of Claim 57, wherein one or more attributes of the stored game character can be improved by the stored character winning the competition.

Claim 62 (new): The handheld toy of Claim 57, wherein the scanner is an RFID reader.

Claim 63 (new): A handheld toy comprising:

a scanner;

a display device;

a memory device; and

a processor operable with the scanner and the display device to:

(A) scan a bar code,

(B) determine a first character from the bar code,

(C) if the first character is one of a first group of characters, store the first character in the memory device, wherein characters in the first group of characters are controllable by a player if the characters in the first group are stored in the memory device, and

(D) if the first character is not one of the first group of characters,

(i) determine whether the bar code is scanned a second time,

(ii) if the bar code is scanned the second time, initiate a competition between the first character and at least one other character, the at least one other character being one of the first group of characters and the at least one other character being stored in the memory device, and

(iii) if the bar code is not scanned the second time, delete the first character.

Claim 64 (new): The handheld toy of Claim 63, wherein the processor is operable to enable the player to switch a second one of the first group of characters for the at least one other character during the competition.

Claim 65 (new): The handheld toy of Claim 63, wherein the processor is operable to receive additional data from the scanner during the competition, the additional data influencing the outcome of the competition.

Claim 66 (new): The handheld toy of Claim 65, wherein the additional data is associated with healing the at least one other character.